
**GRAND CONCOURSE ACADEMY
CHARTER SCHOOL AND SUBSIDIARY**

**Consolidated Financial Statements
with Supplementary Information**

For the years ended June 30, 2023 and 2022

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

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Independent Auditor's Report

To the Board of Trustees of
Grand Concourse Academy Charter School and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Grand Concourse Academy Charter School and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Grand Concourse Academy Charter School and Subsidiary as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Grand Concourse Academy Charter School and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of management for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grand Concourse Academy Charter School and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Grand Concourse Academy Charter School and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grand Concourse Academy Charter School and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying supplementary financial information from page 17 to 21 is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2023, on our consideration of Grand Concourse Academy Charter School and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grand Concourse Academy Charter School and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grand Concourse Academy Charter School and Subsidiary's internal control over financial reporting and compliance.

NChing LLP

New York, New York
November 1, 2023

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Consolidated Statements of Financial Position
As of June 30,

	2023	2022
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 12,063,432	\$ 12,115,148
Accounts and grants receivable	2,295,646	1,113,613
Other receivable	6,690	731
Prepaid expenses	10,717	14,785
Total current assets	14,376,485	13,244,277
Property and equipment, net	33,638,008	2,362,601
Other assets		
Reserve for contingency	637,319	75,086
Escrow reserves	8,251,051	313,903
Utility deposits	16,500	16,500
Total assets	<u>\$ 56,919,363</u>	<u>\$ 16,012,367</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 229,265	\$ 251,252
Accrued salaries and other payroll related expenses	987,590	1,123,620
Current portion of bonds payable	320,000	-
Accrued interest	941,755	-
Deferred revenue	21,780	265,539
Total current liabilities	2,500,390	1,640,411
Long-term liability		
Bonds payable, less current portion, net	36,815,528	-
Total liabilities	39,315,918	1,640,411
Net assets		
Undesignated	16,966,126	14,296,870
Reserve - contingency	637,319	75,086
Total net assets without donor restrictions	17,603,445	14,371,956
Total liabilities and net assets	<u>\$ 56,919,363</u>	<u>\$ 16,012,367</u>

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY**Consolidated Statements of Activities**

For the years ended June 30,

	<u>2023</u>	<u>2022</u>
<u>Operating revenue and other support</u>		
State and local per pupil operating revenue		
General education	\$ 12,245,286	\$ 11,338,786
Special education	1,534,097	1,354,152
Facility lease assistance	1,232,470	699,918
Total state and local per pupil operating revenue	<u>15,011,853</u>	<u>13,392,856</u>
Grants, contracts and other income		
Federal grants	2,735,981	1,615,840
State and local grants	63,319	47,648
Contributions	419,162	-
Interest and other income	182,202	30,634
Total grants, contracts and other support	<u>3,400,664</u>	<u>1,694,122</u>
Total operating revenue and other support	<u>18,412,517</u>	<u>15,086,978</u>
<u>Expenses</u>		
Program expenses		
Regular education	10,615,209	9,678,138
Special education	2,594,823	2,257,844
Total program expenses	<u>13,210,032</u>	<u>11,935,982</u>
Supporting services		
Management and general	1,950,078	1,812,572
Fund-raising	20,918	7,107
Total program and supporting services expenses	<u>15,181,028</u>	<u>13,755,661</u>
Change in net assets	3,231,489	1,331,317
Net assets without donor restrictions - beginning of year	<u>14,371,956</u>	<u>13,040,639</u>
Net assets without donor restrictions - end of year	<u>\$ 17,603,445</u>	<u>\$ 14,371,956</u>

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY

Consolidated Statement of Functional Expenses

For the year ended June 30, 2023

	No. of Positions	Program expenses			Supporting services		Total program expenses and supporting services
		Regular education	Special education	Total programs	Management & general	Fund-raising	
Salaries							
Instructional staff personnel	67.80	\$ 4,770,469	\$ 1,313,188	\$ 6,083,657	\$ -	\$ -	\$ 6,083,657
Administrative staff personnel	11.00	803,585	112,246	915,831	766,549	-	1,682,380
Noninstructional staff personnel	7.00	85,083	11,885	96,968	226,258	-	323,226
Total salaries	85.80	5,659,137	1,437,319	7,096,456	992,807	-	8,089,263
Operating expenses							
Payroll taxes and fringe benefits		1,216,401	308,944	1,525,345	213,399	-	1,738,744
Retirement		216,702	55,038	271,740	38,017	-	309,757
Professional and consulting services		29,321	10,128	39,449	233,633	-	273,082
Occupancy		158,692	40,305	198,997	27,840	-	226,837
Repairs and maintenance		98,838	25,103	123,941	17,340	-	141,281
Insurance		59,237	15,045	74,282	10,392	-	84,674
Utilities		110,251	28,002	138,253	19,342	-	157,595
Supplies and materials		216,647	30,261	246,908	-	-	246,908
Equipment and furnishings		1,717	436	2,153	301	-	2,454
Staff development		53,823	13,670	67,493	9,442	-	76,935
Marketing and recruitment		14,770	2,644	17,414	1,197	-	18,611
Technology		53,438	13,572	67,010	9,375	-	76,385
Leased equipment		8,524	2,165	10,689	1,495	-	12,184
Telephone and internet		53,382	13,558	66,940	9,365	-	76,305
Food service		500,494	69,910	570,404	-	-	570,404
Student services		182,431	25,482	207,913	-	-	207,913
Administrative		95,447	24,242	119,689	20,954	-	140,643
Other		-	-	-	-	20,918	20,918
Travel		12,419	3,154	15,573	2,179	-	17,752
Storage and moving		-	-	-	14,318	-	14,318
Interest		1,289,818	327,590	1,617,408	226,278	-	1,843,686
Depreciation		583,720	148,255	731,975	102,404	-	834,379
Total operating expenses		4,956,072	1,157,504	6,113,576	957,271	20,918	7,091,765
Total expenses		\$ 10,615,209	\$ 2,594,823	\$ 13,210,032	\$ 1,950,078	\$ 20,918	\$ 15,181,028

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Consolidated Statement of Functional Expenses
For the year ended June 30, 2022

		Program expenses			Supporting services		Total program expenses and supporting services
	No. of Positions	Regular education	Special education	Total programs	Management & general	Fund-raising	
Salaries							
Instructional staff personnel	66.00	\$ 4,135,283	\$ 1,073,414	\$ 5,208,697	\$ -	\$ -	\$ 5,208,697
Administrative staff personnel	11.00	657,066	82,631	739,697	652,885	-	1,392,582
Noninstructional staff personnel	6.00	72,836	9,160	81,996	191,324	-	273,320
Total salaries	83.00	4,865,185	1,165,205	6,030,390	844,209	-	6,874,599
Operating expenses							
Payroll taxes and fringe benefits		1,031,484	247,039	1,278,523	178,984	-	1,457,507
Retirement		189,378	45,356	234,734	32,861	-	267,595
Professional and consulting services		111,679	26,020	137,699	211,086	-	348,785
Occupancy		2,380,406	570,104	2,950,510	413,049	-	3,363,559
Food Service		247,458	31,120	278,578	-	-	278,578
Repairs and maintenance		88,335	21,156	109,491	15,328	-	124,819
Insurance		89,795	21,506	111,301	15,581	-	126,882
Utilities		93,290	22,343	115,633	16,188	-	131,821
Supplies and materials		175,506	22,071	197,577	-	-	197,577
Staff development		19,093	4,573	23,666	3,313	-	26,979
Technology		47,256	11,318	58,574	8,200	-	66,774
Leased equipment		10,507	2,516	13,023	1,823	-	14,846
Telephone and internet		37,126	8,892	46,018	6,442	-	52,460
Student services		98,666	12,408	111,074	-	-	111,074
Administrative		93,320	22,350	115,670	37,646	-	153,316
Marketing and recruitment		-	-	-	102	-	102
Other		-	-	-	-	7,107	7,107
Travel		347	83	430	60	-	490
Storage and moving		-	-	-	10,468	-	10,468
Depreciation		99,307	23,784	123,091	17,232	-	140,323
Total operating expenses		4,812,953	1,092,639	5,905,592	968,363	7,107	6,881,062
Total expenses		\$ 9,678,138	\$ 2,257,844	\$ 11,935,982	\$ 1,812,572	\$ 7,107	\$ 13,755,661

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY**Consolidated Statements of Cash Flows**

For the years ended June 30,

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 3,231,489	\$ 1,331,317
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation	834,379	140,323
Amortization of debt issuance costs	39,349	-
Amortization of premium to bonds payable	(11,157)	-
Changes in operating assets and liabilities		
Accounts and grants receivable	(1,182,033)	(689,264)
Other receivable	(5,959)	11,105
Prepaid expenses	4,068	3,018
Accounts payable	(21,987)	123,918
Accrued salaries and other payroll related expenses	(136,030)	160,633
Accrued interest	941,755	-
Deferred revenue	(243,759)	173,071
Net cash provided by operating activities	<u>3,450,115</u>	<u>1,254,121</u>
Cash flows from investing activities		
Escrow reserves	313,903	(313,903)
Acquisition of property and equipment	(32,109,786)	(420,426)
Net cash used in investing activities	<u>(31,795,883)</u>	<u>(734,329)</u>
Cash flows from financing activities		
Proceeds from bonds	38,681,299	-
Expenditures for debt issuance costs	(1,573,963)	-
Net cash provided by financing activities	<u>37,107,336</u>	<u>-</u>
Net increase in cash and restricted cash	8,761,568	519,792
Cash and restricted cash - beginning of year	<u>12,190,234</u>	<u>11,670,442</u>
Cash and restricted cash - end of year	<u><u>\$ 20,951,802</u></u>	<u><u>\$ 12,190,234</u></u>
Cash and restricted cash as reported within the statement of financial position		
Cash	\$ 12,063,432	\$ 12,115,148
Reserve contingency	637,319	75,086
Escrow reserves	8,251,051	-
	<u><u>\$ 20,951,802</u></u>	<u><u>\$ 12,190,234</u></u>
Supplemental disclosure		
Cash paid for interest	<u><u>\$ 873,739</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Notes to the Consolidated Financial Statements
June 30, 2023 and 2022

Note 1 Organization

Grand Concourse Academy Charter School and Subsidiary (the "School") is a public charter school located in the Bronx, New York. The School originally served kindergarten through fifth grade; sixth, seventh, and eighth grade were added each year from 2016-2018. The School was chartered in July 2004 and successfully re-chartered on April 29, 2019 for an additional five years. The goal of the School is to offer students a high-quality public education on a nondiscriminatory and secular basis. The mission of the School is to create a challenging learning environment that addresses and meets the needs of students in New York City, especially those at risk of academic failure. In a concerted effort to prepare students for entry into the very best middle and high schools of New York City, the School seeks to foster a sense of strong character, ethics, and personal responsibility, as well as high expectations and academic success.

The School is the sole member of 625 Bolton LLC (the "LLC"), a limited liability company formed in January 2022. The LLC was considered as a disregarded entity for federal and state tax purpose.

From hereon in, the School and the LLC are referred to as the "Organization".

Note 2 Summary of significant accounting policies

Principles of consolidation. The financial statements are consolidated to include the accounts of the School and the LLC. All significant intercompany transactions and balances have been eliminated in the consolidation.

Basis of presentation and use of estimates. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial statements presentation. The consolidated financial statements of the Organization follow the accounting standard for not-for-profit organization, which require the Organization to report information regarding its consolidated statements of financial position and consolidated statements of activities according to the following net asset classifications:

Net assets without donor restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Notes to the Consolidated Financial Statements
June 30, 2023 and 2022

Note 2 Summary of significant accounting policies - (continued)

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Cash and cash equivalents. The Organization considers all short-term, highly liquid investments, such as money market funds, to be cash equivalents.

Accounts and grants receivable. Accounts and grants receivable are recorded at net realizable value and do not bear interest. The allowance for doubtful accounts is the School's best estimate of the amount of probable credit losses in existing receivables. Management determines the allowance based on historical write-off experience and reviews its allowance for doubtful accounts periodically. Past due balances are reviewed individually for collectability. Accounts and grants receivable amount to \$2,295,646 and \$1,113,613 as of June 30, 2023 and 2022, respectively. There is no allowance recorded at June 30, 2023 and 2022, as all amounts are deemed collectible.

Revenue recognition. The Organization recognizes revenue from the state and local governments based on the School's charter status and the number of students enrolled. Such revenue is recorded when services are performed, in accordance with the charter agreement. The New York State Department of Education mandates the rate per pupil. Such revenue is recognized ratably over the related school year in which it is earned.

Grants and contracts. Grants and contracts revenue is recognized when qualifying expenditures are incurred and/or services are provided to the students during the applicable school year. Funds received in advance or any unspent funds for which qualifying expenditures have not been incurred are recorded as refundable advances. Any unspent amounts might be returned to the granting agency or the granting agency can approve that those amounts be applied to a future grant period.

Reserve for contingency. Reserve for contingency relates to required reserve and escrow accounts that are required to be maintained by the Organization in accordance with charter requirements.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Notes to the Consolidated Financial Statements
June 30, 2023 and 2022

Note 2 Summary of significant accounting policies - (continued)

Operating risk. The coronavirus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measure, the Organization cannot reasonably estimate the impact to future results of operations.

Functional allocation of expenses. The cost of providing the various programs and other activities has been summarized on an individual basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expense include expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the school.

The expenses that are allocated include the following:

Salaries	Time and effort
Payroll taxes and fringe benefits	Time and effort
Professional and consulting services	Time and effort
Occupancy	Square footage
Repairs and maintenance	Time and effort
Insurance	Square footage

Property and equipment. Property and equipment are recorded at cost. Donated assets are capitalized at the estimated fair value at date of receipt. Repairs and maintenance are charged to expense as incurred; significant improvements are capitalized. The Organization capitalized additions and significant improvements in excess of \$5,000 with an estimated useful life of greater than one year. Depreciation is computed using the straight-line method over estimated useful lives of the respective assets.

The estimated depreciable lives of the different classes of property and equipment are as follows:

<u>Asset</u>	<u>Useful Life</u>
Building	35 Years
Leasehold improvements	3 Years
Furniture and fixtures	5 – 7 Years
Computer equipment	5 – 7 Years
Office equipment	5 – 7 Years
Software	3 Years

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Notes to the Consolidated Financial Statements
June 30, 2023 and 2022

Note 2 Summary of significant accounting policies - (continued)

Leases. As of July 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which was amended in some respects by subsequent ASUs, collectively Accounting Standards Codification 842 (ASC 842), and supersedes existing lease guidance. The standard requires the Organization to record Operating lease right-of-use assets and corresponding lease liabilities on the consolidated statement of financial position and disclose key quantitative and qualitative information about lease contracts.

Under ASC 842, the Organization determines if a contract is a leasing arrangement at inception. Operating lease right-of-use assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. the Organization uses the risk-free rate of return. the Organization recognized operating lease expense for operating leases on a straight-line basis over the lease term.

Leases with an initial term of 12 months or less are not recorded on the consolidated statement of financial position and are expensed on a straight-line basis.

Income taxes. In 2005, Grand Concourse Academy Charter School and Subsidiary filed and received approval of its application for tax exempt status from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization as described in Internal Revenue Code Sec. 509(a)(1) and 170(b)(1)(a)(II).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the consolidated financial statements.

The Organization is no longer subject to income tax examination by tax authorities for years before June 30, 2020.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Notes to the Consolidated Financial Statements
June 30, 2023 and 2022

Note 2 Summary of significant accounting policies - (continued)

Recently adopted accounting pronouncements. In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* that requires a lessee to recognize on the statement of financial position a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term, regardless of classification of a lease as an operating or finance lease. The Organization adopted ASU 2016-02 on July 1, 2022, using the modified retrospective approach for operating leases, with a term greater than 12 months. The Organization also elected the package of practical expedients permitted under the new standard that allowed the Organization to carry forward historical lease classification for existing leases on the adoption date, and allowed the Organization not to assess whether an existing contract contains a lease or initial direct costs. As permitted by the guidance, prior comparative periods will not be adjusted under this method. The adoption of ASU 2016-02 does not have a material impact on the Organization's consolidated financial statements.

Note 3 Liquidity and availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of June 30, are:

Financial assets:	2023	2022
Cash and cash equivalents	\$ 12,063,432	\$ 12,115,148
Grants and other receivables	2,302,336	1,114,344
year	<u>\$ 14,365,768</u>	<u>\$ 13,229,492</u>

Note 4 Property and equipment

Property and equipment consist of the following as of June 30:

	2023	2022
Land	\$ 5,378,407	\$ -
Building	26,011,921	-
Leasehold improvements	2,550,210	2,550,210
Furniture and fixtures	83,842	83,842
Computer equipment	420,985	378,339
Office equipment	14,814	14,814
Software	3,824	3,824
Construction in progress	1,016,242	339,430
	<u>35,480,245</u>	<u>3,370,459</u>
Less: accumulated depreciation	<u>(1,842,237)</u>	<u>(1,007,858)</u>
Total	<u>\$ 33,638,008</u>	<u>\$ 2,362,601</u>

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Notes to the Consolidated Financial Statements
June 30, 2023 and 2022

Note 5 Accrued payroll and other payroll related expenses

Accrued payroll and benefits consist of amounts earned by the staff during the school year but paid over the summer months. As of June 30, 2023 and 2022, total accrued salaries and other payroll related expenses amounted to \$987,590 and \$1,123,620, respectively.

Note 6 Contingency

The Organization participates in a number of federal and state programs. These programs require that the Organization comply with certain laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government grants and contracts by government agencies is presently not determinable, it should not, in the opinion of the management, have a material effect on the financial position or results of operations. Accordingly, no provision for any such liability that may result has been made in the accompanying consolidated financial statements.

The Organization is involved in an ongoing litigation related to a construction project agreement with an unrelated third party (the "Plaintiff") which was entered into in 2011. There is also a dispute in regard to the rental sums due to the Plaintiff pursuant to a lease agreement entered into in 2004. The Organization will record a liability when the Organization believes that it is both probable that a loss has been incurred and the amount can be reasonably estimated. Management is unable to evaluate the likelihood of an unfavorable outcome and estimate of potential loss, based on the facts at this time.

Note 7 Retirement plan

The Organization offers a 401(k) plan (the "Plan") for substantially all of its qualifying employees. Employees are eligible for the Plan immediately upon employment and participation in the plan is voluntary. Employees can make pretax contributions up to a maximum of 100% of their annual compensation up to IRS limits for each calendar year. The Organization matches the employee contribution up to 6% of the employee's annual compensation. For the years ended June 30, 2023 and 2022, the Organization's matching contribution was \$309,757 and \$267,595. Such plan assets are held in a separate trust and are not included in the accompanying consolidated financial statements. All plan assets are held for the exclusive benefit of the Plan's participants and beneficiaries.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Notes to the Consolidated Financial Statements
June 30, 2023 and 2022

Note 8 Bonds payable

On June 15, 2021, Build NYC Resource Corporation provided construction and permanent financing of \$38,235,000 through the issuance of \$26,235,000 in Tax-Exempt Revenue Bonds (the "Series 2022A Bonds"), bearing interest at 3.4% to 5% per annum, with principal due at varying amounts annually through maturity on July 1, 2056, and \$12,000,000 in Tax-Exempt Revenue Bonds (the "Series 2022B Bonds"), bearing interest at 5% per annum which will be repaid in varying amounts through maturity on July 1, 2062. The proceeds of the bonds will be used for the acquisition and construction of a facility building at Bronx, New York, to be used as classroom and administration space.

Future minimum principal payments for the next five years and in the aggregate thereafter are as follow:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 320,000
2025	345,000
2026	355,000
2027	365,000
2028	380,000
Thereafter	36,470,000
Total	<u>38,235,000</u>
Less: current portion	(320,000)
Add: unamortized bond issuance costs	
and issuance premium, net	(1,099,472)
Long-term bonds payable, net	<u><u>\$ 36,815,528</u></u>

As of June 30, 2023, the School was in compliance with all debt covenants pursuant to the bond agreement.

Note 9 Commitment

The Organization entered into a lease agreement in December 2016 with an unrelated third party (the "Landlord") whereby the landlord would develop and build the Organization's new education facility located at 625 Bolton Avenue, Bronx, New York (the "Building"). As part of the lease agreement, the Organization did not have any obligation to pay base rent or any other obligation to the Landlord during the construction period. The lease term of the operating lease commenced when the construction was substantially complete on August 1, 2019.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Notes to the Consolidated Financial Statements
June 30, 2023 and 2022

Note 9 Commitment – (continued)

On June 2, 2022, the Organization entered into a sale agreement to exercise its option to purchase the building for \$31,390,328 through its wholly owned subsidiary, 625 Bolton LLC. One percent deposit was paid on the execution of the agreement. The building was purchased on July 14, 2022, with a \$38,235,000 funding from Build NYC Resources Corporation (see Note 8).

For the years ended June 30, 2023 and June 30, 2022, rent expenses were \$226,837 and \$3,363,559 respectively, and are included in occupancy on the accompanying consolidated statements of functional expenses.

Note 10 Operating lease

The School has entered into a lease agreement with the LLC for its rental space for a period of 40 years effective July 14, 2022. The School is required to pay rent as defined in the lease agreement. The rent expense is calculated on a straight-line basis over the term of the lease. Rent expense under the lease were eliminated on the consolidated financial statements.

Note 11 Concentration of risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to significant credit risk on cash and cash equivalents.

The Organization received approximately 82% and 89% of its operating revenue, which is subject to specific requirements from per pupil funding from The New York State Department of Education during the years ended June 30, 2023 and 2022, respectively. Additionally, the Organization's grants receivable consists of approximately 100% from the New York State Department of Education and the Federal Title grants.

Note 12 Subsequent events

Management has evaluated events and transactions for potential recognition and disclosure through November 1, 2023, which is the date the consolidated financial statements were available to be issued. Based on this evaluation, management has determined that no subsequent events occurred requiring adjustments or disclosures to the consolidated financial statements.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Consolidating Statement of Financial Position
As of June 30, 2023

	The School	The LLC	Eliminations	Consolidated
<u>Assets</u>				
Current assets				
Cash and cash equivalents	\$ 12,063,432	\$ -	\$ -	\$ 12,063,432
Accounts and grants receivable	2,295,646	-	-	2,295,646
Other receivable	6,690	-	-	6,690
Rent receivable	-	373,313	(373,313)	-
Prepaid expenses	10,717	-	-	10,717
Total current assets	14,376,485	373,313	(373,313)	14,376,485
Property and equipment, net	1,943,669	31,694,339	-	33,638,008
Operating lease right-of-use assets	48,049,071	-	(48,049,071)	-
Other assets				
Reserve for contingency	637,319	-	-	637,319
Escrow reserves	-	8,251,051	-	8,251,051
Investment in The LLC	2,266,280	-	(2,266,280)	-
Utility deposits	16,500	-	-	16,500
Total assets	<u>\$ 67,289,324</u>	<u>\$ 40,318,703</u>	<u>\$ (50,688,664)</u>	<u>\$ 56,919,363</u>
<u>Liabilities and Net Assets</u>				
Current liabilities				
Accounts payable	\$ 602,578	\$ -	\$ (373,313)	\$ 229,265
Accrued salaries and other payroll related expenses	987,590	-	-	987,590
Current portion of bonds payable	-	320,000	-	320,000
Current portion of operating lease liabilities	580,250	-	(580,250)	-
Accrued interest	-	941,755	-	941,755
Deferred rent	-	263,201	(263,201)	-
Deferred revenue	21,780	-	-	21,780
Total current liabilities	2,192,198	1,524,956	(1,216,764)	2,500,390
Long-term liability				
Long-term operating lease liabilities	47,205,620	-	(47,205,620)	-
Bonds payable, less current portion, net	-	36,815,528	-	36,815,528
Total liabilities	<u>49,397,818</u>	<u>38,340,484</u>	<u>(48,422,384)</u>	<u>39,315,918</u>
Net assets				
Undesignated	17,254,187	1,978,219	(2,266,280)	16,966,126
Reserve - contingency	637,319	-	-	637,319
Total net assets without donor restrictions	<u>17,891,506</u>	<u>1,978,219</u>	<u>(2,266,280)</u>	<u>17,603,445</u>
Total liabilities and net assets	<u>\$ 67,289,324</u>	<u>\$ 40,318,703</u>	<u>\$ (50,688,664)</u>	<u>\$ 56,919,363</u>

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Consolidating Statement of Financial Position
As of June 30, 2022

	The School	The LLC	Eliminations	Consolidated
<u>Assets</u>				
Current assets				
Cash and cash equivalents	\$ 12,115,148	\$ -	\$ -	\$ 12,115,148
Accounts and grants receivable	1,113,613	-	-	1,113,613
Other receivable	731	-	-	731
Prepaid expenses	14,785	-	-	14,785
Total current assets	13,244,277	-	-	13,244,277
Property and equipment, net	2,362,601	-	-	2,362,601
Other assets				
Reserve for contingency	75,086	-	-	75,086
Escrow reserves	-	313,903	-	313,903
Investment in The LLC	313,903	-	(313,903)	-
Utility deposits	16,500	-	-	16,500
Total assets	<u>\$ 16,012,367</u>	<u>\$ 313,903</u>	<u>\$ (313,903)</u>	<u>\$ 16,012,367</u>
<u>Liabilities and Net Assets</u>				
Current liabilities				
Accounts payable	\$ 251,252	\$ -	\$ -	\$ 251,252
Accrued salaries and other payroll related expenses	1,123,620	-	-	1,123,620
Deferred revenue	265,539	-	-	265,539
Total current liabilities	1,640,411	-	-	1,640,411
Total liabilities	<u>1,640,411</u>	<u>-</u>	<u>-</u>	<u>1,640,411</u>
Net assets				
Reserve - contingency	75,086	-	-	75,086
Undesignated	14,296,870	313,903	(313,903)	14,296,870
Total net assets without donor restrictions	14,371,956	313,903	(313,903)	14,371,956
Total liabilities and net assets	<u>\$ 16,012,367</u>	<u>\$ 313,903</u>	<u>\$ (313,903)</u>	<u>\$ 16,012,367</u>

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Consolidating Statement of Activities
For the year ended June 30, 2023

	The School	The LLC	Elimination	Consolidated
Operating revenue and other support				
State and local per pupil operating revenue				
General education	\$ 12,245,286	\$ -	\$ -	\$ 12,245,286
Special education	1,534,097	-	-	1,534,097
Facility lease assistance	1,232,470	-	-	1,232,470
Total state and local per pupil operating revenue	15,011,853	-	-	15,011,853
Grants, contract and other support				
Federal grants	2,735,981	-	-	2,735,981
State and local grants	63,319	-	-	63,319
Rental income	-	2,267,856	(2,267,856)	-
Contributions	419,162	-	-	419,162
Interest and other income	182,202	-	-	182,202
Total grants, contract and other support	3,400,664	2,267,856	(2,267,856)	3,400,664
Total operating revenue and other support	18,412,517	2,267,856	(2,267,856)	18,412,517
Expenses				
Program expenses				
Regular education	10,413,685	1,788,085	(1,586,561)	10,615,209
Special education	2,543,640	454,141	(402,958)	2,594,823
Total program expenses	12,957,325	2,242,226	(1,989,519)	13,210,032
Supporting services				
Management and general	1,914,724	313,691	(278,337)	1,950,078
Fund-raising	20,918	-	-	20,918
Total program and supporting	1,935,642	313,691	(278,337)	1,970,996
Total program and supporting services expenses	14,892,967	2,555,917	(2,267,856)	15,181,028
Change in net assets	3,519,550	(288,061)	-	3,231,489
Net assets without donor restrictions - beginning of year	14,371,956	313,903	(313,903)	14,371,956
Capital contribution	-	1,952,377	(1,952,377)	-
Net assets without donor restrictions - end of year	\$ 17,891,506	\$ 1,978,219	\$ (2,266,280)	\$ 17,603,445

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY**Schedule of Debt Covenants**

For the year ended June 30, 2023

	<u>Minimum Requirement</u>	<u>Actual</u>
Debt service coverage ratio	1.10	3.26
Days cash on hand	60	274

The debt service coverage ratio is calculated as follows:

Increase in net assets	\$ 3,231,489	
Add back:		
Interest expense	1,815,494	
Interest expense-amortization of bond premium	39,349	
Interest expense-amortization bond premium	(11,157)	
Depreciation	834,379	
Net revenues available for debt service	<u>\$ 5,909,554</u>	
Debt service payments		
Interest expense	\$ 1,815,494	
Principal	-	
Total current debt service	<u>\$ 1,815,494</u>	
Net revenues available for debt service	\$ 5,909,554	
Total current debt service	\$ 1,815,494	= 3.26

The days cash on hand is calculated as follows:

Total expenses	\$ 15,181,028	
Less: Depreciation and amortization	862,571	
Net expenses	<u>16,043,599</u>	
Number of days	365	
Cash used per day	<u>\$ 43,955</u>	
Cash and cash equivalents at year end	\$ 12,063,432	
Cash used per day	\$ 43,955	= 274

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Identifying number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education				
<u>Pass-through New York State Education Department:</u>				
Title I Grants to Local Educational Agencies	84.010A	0021-23-4278	\$ -	\$ 389,413
Supporting Effective Instruction State Grants	84.367A	0147-23-4278	-	48,033
English Language Acquisition State Grants	84.365A	0293-23-4278	-	4,225
Student Support and Academic Enrichment program	84.424A	0204-23-4278	-	24,856
COVID-19 Education Stabilization Fund subprograms:				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	5218-21-4278	-	368,685
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-4278	-	1,259,312
Total for program			-	1,627,997
Total U.S. Department of Education			-	2,094,524
U.S. Department of Agriculture				
<u>Pass-through New York State Education Department:</u>				
School Breakfast Program	10.553	320800860872	-	120,400
National School Lunch Program	10.555	320800860872	-	426,077
Total Child Nutrition Cluster			-	546,477
Total U.S. Department of Agriculture			-	546,477
Total Expenditures of Federal Awards			\$ -	\$ 2,641,001

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY

Notes to Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Grand Concourse Academy Charter School and Subsidiary for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of Grand Concourse Academy Charter School and Subsidiary, it is not intended to, and does not, present the financial position, changes in net position or cash flows of Grand Concourse Academy Charter School and Subsidiary.

Note 2 Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The amounts reported as expenditures in this Schedule may differ from certain financial reports submitted to federal funding agencies, due to those reports being submitted on either the cash or modified cash basis of accounting.

Note 3 Indirect Cost Rate

Grand Concourse Academy Charter School and Subsidiary has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
Grand Concourse Academy Charter School and Subsidiary

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Grand Concourse Academy Charter School and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 1, 2023.

Report on internal control over financial reporting

In planning and performing our audit of the consolidated financial statements, we considered Grand Concourse Academy Charter School and Subsidiary and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grand Concourse Academy Charter School and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Grand Concourse Academy Charter School and Subsidiary's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether Grand Concourse Academy Charter School and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

NChing LLP

New York, New York
November 1, 2023

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees of
Grand Concourse Academy Charter School and Subsidiary

Report on compliance for each major federal program

Opinion on each major federal program

We have audited Grand Concourse Academy Charter School and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Grand Concourse Academy Charter School and Subsidiary's major federal programs for the year ended June 30, 2023. Grand Concourse Academy Charter School and Subsidiary's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Grand Concourse Academy Charter School and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for opinion on each major federal program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Grand Concourse Academy Charter School and Subsidiary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Grand Concourse Academy Charter School and Subsidiary's compliance with the compliance requirements referred to above.

Responsibilities of management for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Grand Concourse Academy Charter School and Subsidiary's federal programs.

Auditor's responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Grand Concourse Academy Charter School and Subsidiary's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Grand Concourse Academy Charter School and Subsidiary's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Grand Concourse Academy Charter School and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Grand Concourse Academy Charter School and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Grand Concourse Academy Charter School and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

NChing LLP

New York, New York
November 1, 2023

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY

Schedule of Findings and Questioned Costs

For the year ended June 30, 2023

Schedule I – Summary of auditor’s results

Financial statements

Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not Considered to be material weakness(es)?

___ yes X no

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not Considered to be material weakness(es)?

___ yes X no

___ yes X none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance under Section 2CFR200.516(a)

___ yes X no

Identification of major federal programs:

Federal

Assistance

Listing Number

Name of Federal Program or Cluster

84.425D

COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund

84.425U

COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

___ yes X no

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY

Schedule of Findings and Questioned Costs

For the year ended June 30, 2023

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY

Corrective Action Plan

For the year ended June 30, 2023

Corrective action plan is not applicable for the year ended June 30, 2023.

GRAND CONCOURSE ACADEMY CHARTER SCHOOL AND SUBSIDIARY

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2023

There were no prior audit findings.